

RESOLUTION NO. 75099

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ AUTHORIZING THE CITY MANAGER AND THE CITY MANAGER'S AUTHORIZED DESIGNEES TO NEGOTIATE AND EXECUTE AN AMENDMENT TO EACH OF THE AGREEMENTS WITH WELLS FARGO BANK FOR GENERAL BANKING SERVICES, MERCHANT CARD PROCESSING SERVICES, AND LOCKBOX SERVICES TO DECREASE THE MAXIMUM ANNUAL COMPENSATION BY \$148,500 FROM \$864,000 TO AN AMOUNT NOT TO EXCEED \$715,500 FOR THE INITIAL TERM THROUGH JUNE 30, 2010, AND TO INCREASE THE MAXIMUM ANNUAL COMPENSATION TO AN AMOUNT NOT TO EXCEED \$864,000 IN THE EVENT FUNDS REMAIN IN THE BANKING SERVICES APPROPRIATION FOLLOWING THE TERMINATION OF THE AGREEMENT WITH UNION BANK OF CALIFORNIA, AND TO MAKE OTHER TECHNICAL CHANGES THERETO

WHEREAS, in May 2009, the City Council of the City of San José ("City Council") approved the recommendation to enter into a contract with Wells Fargo Bank ("Wells Fargo") to provide the City's banking and financial services including General Banking Services, Merchant Card Processing Services, Lockbox Services, and Securities Custody Services, in a total maximum annual amount not to exceed \$864,000 for the initial period through June 30, 2010; and

WHEREAS, due to the extensive business process review and contractual negotiations, the estimated implementation timeline for the transition of services from Union Bank of California ("UBOC") to Wells Fargo has been revised and it is necessary to reallocate funds in order to provide the increased funding for UBOC and decreased funding for Wells Fargo during the transition period with no net dollar effect on the Banking Services appropriation; and

WHEREAS, the City desires to negotiate and execute an Amendment to each of the Agreements with Wells Fargo Bank to decrease the maximum annual compensation by \$148,500 from \$864,000 to an amount not to exceed \$715,500 for the initial term through June 30, 2010, and to increase the maximum annual compensation to an amount not to exceed \$864,000 in the event funds remain in the Banking Services appropriation following the termination of the agreement with Union Bank of California, and to make other technical changes thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSÉ THAT:

The City Manager and the City Manager's authorized designees are hereby authorized to negotiate and execute an amendment to each of the agreements with Wells Fargo Bank for General Banking Services, Merchant Card Processing Services, and Lockbox Services to decrease the maximum annual compensation by \$148,500 from \$864,000 to an amount not to exceed \$715,500 for the initial term through June 30, 2010 and to increase the maximum annual compensation to an amount not to exceed \$864,000 in the event funds remain in the Banking Services appropriation following the termination of the agreement with Union Bank of California, and to make other technical changes thereto.

ADOPTED this 1st day of September, 2009, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, HERRERA, KALRA,
LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CONSTANT.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk